



**U.S. Department of the Interior**  
**"To-Be" Trust Business Model**  
**Process Template**

**Title: Approve Land Use Contract**

*Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)*

**Process Number**  
**UM.2.6**

**1. Process Definition** *Provide an overview of the process and define its starting and ending points*

<b>1.1 Starts With</b>	Proposed land use contract satisfies all checklist requirements, pre-contract payments, bonds are collected, if required, and operator signature, if required, is secured.
<b>1.2 Process Overview</b>	<p>Once a land use contract package has been completed and reviewed, all parties to the agreement sign and date the contract. A written analysis, such as a Completed Checklist, is forwarded to the appropriate line official for action.</p> <p>The contract is approved or disapproved by the designated DOI line official. If the contract is deemed deficient in critical areas, then it may be returned for additional processing. Only under very specific circumstances is a land use contract approved at less than the fair annual rental. Additionally, no land use contract can be entered into more than 12 months prior to the commencement of the term of the contract. Constructive notices for appeal rights may be provided in cases of highly fractionated lands. If there is an appeal, all further action on the contract is suspended until a decision is rendered. Appeal bonds may be required (see 25 CFR Section 2).</p> <p>Contract financial terms are electronically communicated to the appropriate parties once the land use contract is approved. This provides the necessary information to perform billing, collection and distribution activities. Integrated contract data is derived from the land use contract terms and conditions for the selected operator based upon the payment terms, conditions, calculations, and contract effective date. The data also reflects the payees to receive distributions.</p> <p>Those parties authorized to grant leases on Trust land are as follows:</p> <ul style="list-style-type: none"><li>• Tribal corporations acting through their appropriate officials for tribally owned land.</li><li>• Adult Indian landowners or emancipated minors, subject to the approval of the Secretary.</li><li>• Adult Indian, on behalf of his/her minor children.</li><li>• Legally appointed guardian, conservator of other fiduciary of a minor or persons who are legally disabled.</li><li>• The Secretary on behalf of the following individuals:<ul style="list-style-type: none"><li>○ Non-compos mentis.</li><li>○ Orphaned minors.</li><li>○ Undetermined heirs.</li><li>○ Those who have given Power of Attorney.</li><li>○ Those whose whereabouts is unknown.</li><li>○ Indian landowners of highly fractionated land when necessary to</li></ul></li></ul>



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	<p>protect the interest of the landowners, for example, in those instances when the response to request for consent is minimal.</p> <ul style="list-style-type: none"><li>o Landowners unable to agree upon a lease during a 90-day negotiation period and the land is not being used by any Indian landowner.</li></ul> <p>Lease documentation is recorded as appropriate. Short term leases of 12 months or less are recorded in the associated leasing office (BIA agency, field or regional office) and longer term leases are forwarded to the appropriate LTRO for recordation. Copies of the lease are distributed to the lessee and landowner(s).</p> <p>Some land use contracts are perfected on the same day as the lessee is selected, and in those cases, required initial payments are processed at the agency and mailed to the lockbox. Once it is determined that payment is, the land use contract can be approved and the lessee provided a copy of the contract.</p>
<b>1.3 Stops With</b>	<p>Line official approves of land use contract. In some cases the proposed contract is returned to the program staff to work our minor problems in satisfying the requirements.</p>

**2. Trust Business Objectives** *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

<b>Goal/Objective</b>
<b>GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES</b>
<b>OBJECTIVE 4.1: LAND AND NATURAL RESOURCE ASSET PLANS AND STEWARDSHIP STRATEGIES</b> Develop land and natural resource asset plans and stewardship strategies.
<b>OBJECTIVE 4.2: PRESERVATION AND PROTECTION OF LAND AND NATURAL RESOURCE ASSETS</b> Preserve and protect the long-term viability of land and natural resource assets consistent with fiduciary duties and with the beneficiaries' intended use of the as-sets.
<b>OBJECTIVE 4.3: LAND AND NATURAL RESOURCE ASSET BUSINESS MANAGEMENT</b> Manage land and natural resource assets effectively and proactively to obtain fair market value for beneficiaries and to incorporate beneficiary requirements.
<b>OBJECTIVE 4.4: APPRAISALS</b> Obtain appraisal information, as needed, on trust and restricted lands for tribal and individual Indian owners, using methods and techniques that meet professional standards.



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**Goal/Objective**

GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES

**3. How should Beneficiaries be involved in this process?**

**Beneficiary Involvement**

A beneficiary may appeal a DOI administrative decision regarding a land use contract.

**4. Organizations, Offices and Roles.** Identify the DOI organizations and related roles that should be involved in performing the process.

**4.1 DOI Organizations.** Identify the DOI organizations, offices and individual roles that contribute to this process.

DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others.

Offices include Central Offices, Regional Offices, Agency(Field) Offices, etc.

All individual roles that contribute, in a significant manner, should be identified.

Organization	Office	Role	Contribution
BIA	Agency		Provide line official approval of specified land use contracts. Supply notice to interested parties regarding decision. Ensure land use contract is recorded. Prepare Integrated contract data.
BIA	Regional Office		May review and provide opinion for high-risk use agreements. Provide line official approval of most commercial/business use agreement over 25 years. Supply notice to interested parties regarding decision.
OST	Agency or Regional Office		May review land use contract package for high-risk land use contract transactions.



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Organization	Office	Role	Contribution
Consortium	Program Office		Prepare integrated contract data. Collect and record initial remittance. Submit initial remittance to lockbox.
Compacted or Contracted Tribe	Program Office		Perform all DOI functions except those considered inherently federal.

**4.2 External Organizations.** Identify the non-DOI organizations that support the execution of or contribute to this process.

External Organization	Contribution
None	

**5. Event(s)** Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
Final land use contract has been compiled and submitted for review and approval.	Land use contract package is complete with all documentation to support the transaction including all necessary investigations performed accompanied by finding of fact as well as a recommendation for or against the transaction by the program officer/specialist.	Always

**6. Inputs and Outputs.** Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.

**6.1 Inputs**

Input	Description
Use Program Plan	Resources inventories and status, estimated FMV, history,
Tribal Preferences	Tribal priorities for the approval of LNR use agreements



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**6.2 Outputs**

Output	Description
Notification	All interested parties will be notified regarding the final decision. This notification will include a reiteration of appeal rights as required. A constructive notice may be employed is to notify owners if they are numerous or highly fractioned.

**7. Fiduciary and Legal Obligations and Controls**

**7.1 Obligations**

Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
See attached Schedule 1		

**7.2 Controls**

Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
IAMs	Internal control	
Handbooks and Manuals	Internal control	

**8. Mechanisms (Systems of Record)**

Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.

System Name	Support
Realty system work flow tool	System should allow for electronic signature status to land use contract.  System should allow for work tool routing of electronic land use contract package to delegated DOI line official for review and approval after the award to the selectee and the receipt and collection of pre-use agreement monies is completed.



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**9. Inter-Process Relationships** *Identify other trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

**9.1 Predecessors.** *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

Process No.	Name	Condition of Relationship
UM.2.2	Award Tribal Enterprise	Upon tribal enterprise selection the land use contract will be forwarded to the delegated line official for final approval.
UM.2.3	Perform Tribal Allocation	Tribe may allocate land use contracts to tribal members and forward the contract to the delegated line official for final approval.
UM.2.4	Conduct Bidding	Delegated line official provides final approval of the tribal enterprise award of the land use contract.
UM.2.5	Negotiate land Use Contract	This may occur when there is no bidder for advertise leases.
UM.2.7	Administer land Use Contract	Modifications to land use contracts may need line official approval.
O.4.1	Record Approved Title Document	If a land use contract cannot be recorded in the Title database, it is returned for correction.

**9.2 Successors.** *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

Process No.	Name	Condition of Relationship
B.3	Communicate Information	The appropriate parties are notified when a land use contract is awarded or rejected.
B.6.3.1	Beneficiary Account Administration	Provide notification that account administration activity needs to be performed as a result of a land use contract.
FO.1.1a	Create Trust Funds Receivable	Upon approval of a land use contract, a funds receivable account is opened in the payor's name.
FO.1.1b	Create Non-Trust Funds Receivable	If an approved land use contract includes non-trust receipts, such as administrative fees, a non-trust funds receivable account is created in the payor's name.



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Process No.	Name	Condition of Relationship
FO.3.1	Create Funds Payable	Monies will be disbursed against a land use contract, usually to a beneficiary.
O.4.1	Record Approved Title Document	Submit a land use contract for recording in the Title database.
UM.2.7	Administer Land Use Contract	Negotiations may be conducted between the landowner and the prospective lessee/operator upon acceptance and qualification of the selected lessee/operator application.
UM.4.1	Monitor Management Units	Finalized Land Use Contracts provide for terms and conditions that require monitoring for contract compliance.

**10. Comments** *Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)*

Category	Comment
Recommendation	Review all delegations of authorities and delegate to the maximum extent possible but also provide better controls and oversight of such delegations.